10. PLANNING THE EDI IMPLEMENTATION

Planning is a key element to success in implementing an EDI application. It provides the implementation team with a solid basis for the functional and technical design of the new application, as well as a clearly defined plan for the actual implementation. The planning phase of an EDI application consists of the following activities:

- Analyzing the current process
- Developing workflows for the EDI application
- Developing an EDI implementation plan

This section presents a detailed discussion and a step by step approach to conducting the above activities.

10.1. ANALYZING THE CURRENT PROCESS

The first step to planning and implementing an EDI application is gaining a thorough understanding of the current process. Without such an understanding, it is impossible to accurately identify the problems that exist in the current process and determine whether EDI is an appropriate solution.

Once the scope of the EDI application has been defined, the implementation team should undertake an analysis of the current process, using the following steps:

1. **Review Background Materials:** The implementation team should obtain and review all available background materials on the current process. These materials include operating procedures, documentation on automated systems, and the results of any previous process analyses. This information will also assist the team in preparing for interviews.

2. **Identify Interviewees and Schedule Interviews:** The implementation team should identify the personnel who play key roles in the current process, both in the actual conduct of the work as well as in supervisory positions. The team should draw up a list of interviewees and schedule meetings with them well in advance. Interviews should be scheduled such that the team conducts no more than two interviews on any given day.

3. **Develop Questionnaires and Interview Guides:** The implementation team should construct interview guides and questionnaires that can be used to conduct interviews. The questionnaires should be aimed at obtaining clear and accurate information on the current process, transaction volumes, and problems or processing difficulties that exist in the current process. A sample interview questionnaire is presented in Appendix H, Conducting Interviews. Questionnaires should be distributed to interviewees in advance, in order to allow them to collect information and prepare for their interviews.

4. **Conduct interviews:** Interviews should be conducted by at least two implementation team members. One member should act as the interviewer, while the other member records the interview. Appendix H, Conducting Interviews, presents a list of items that the team should bear in mind during the course of each interview.

5. **Document Current Process:** Based on the information collected in the interviews, the implementation team should develop flowcharts of the current process. The flowcharts should be accompanied by a narrative and information on transaction volumes. Exhibit 10-1, Sample Current Process Documentation, presents a sample flowchart for the process of receiving and accepting goods from a vendor. The documentation developed by the implementation team should include a section on problems that exist in the current process along with suggested solutions.

6. **Verify Current Process Information:** The implementation team should then send copies of the current process documentation to the interviewees and ask them to verify that the information provided by them has been accurately represented. The documentation should be corrected and updated using their comments.

By the end of this analysis, all members of the implementation team should have a clear and thorough understanding of the current process and its inherent problems. They should then use this information in designing workflows for the new EDI-based application.

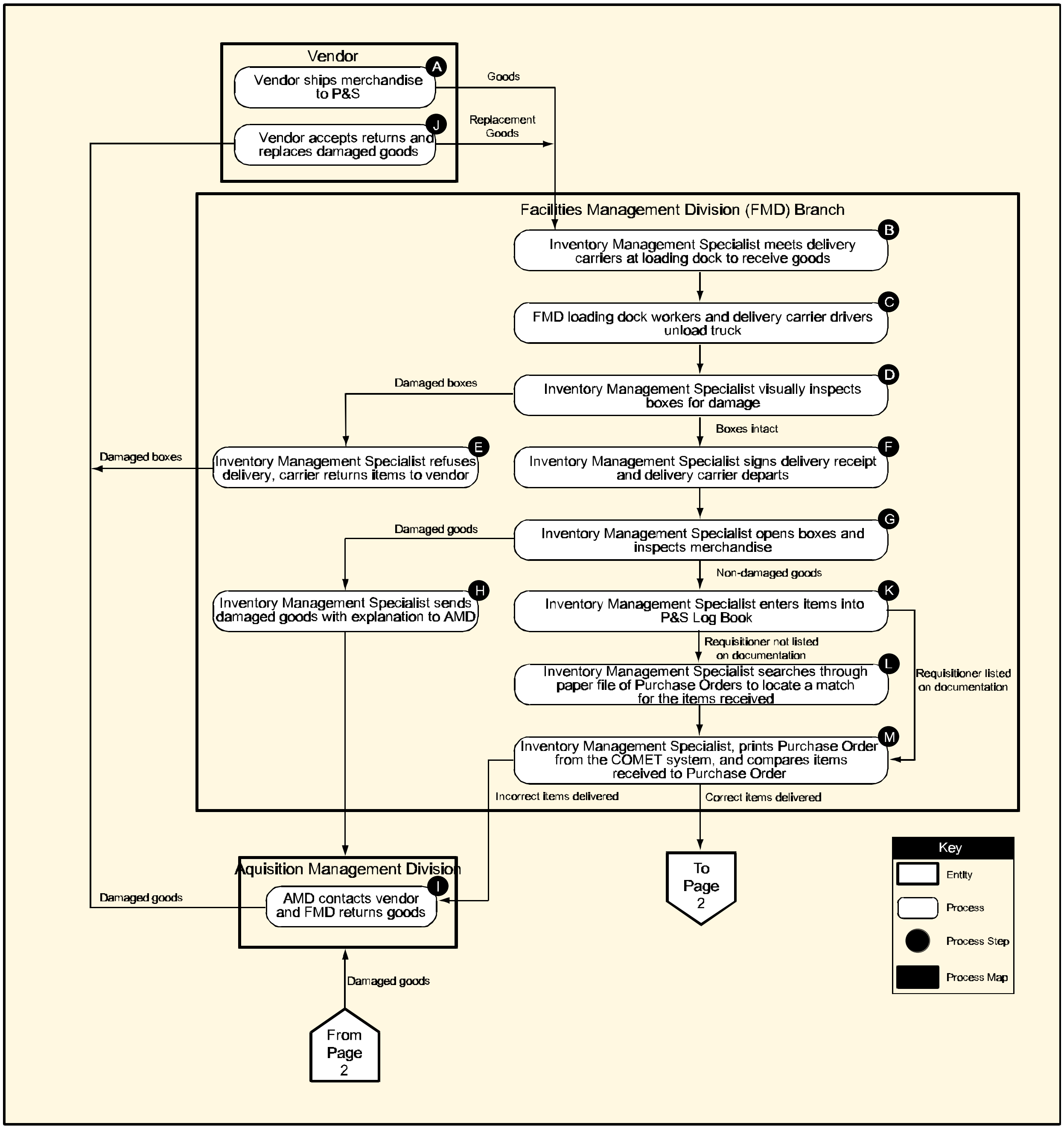

Exhibit 10-1: Sample Current Process Documentation (Page - 1)

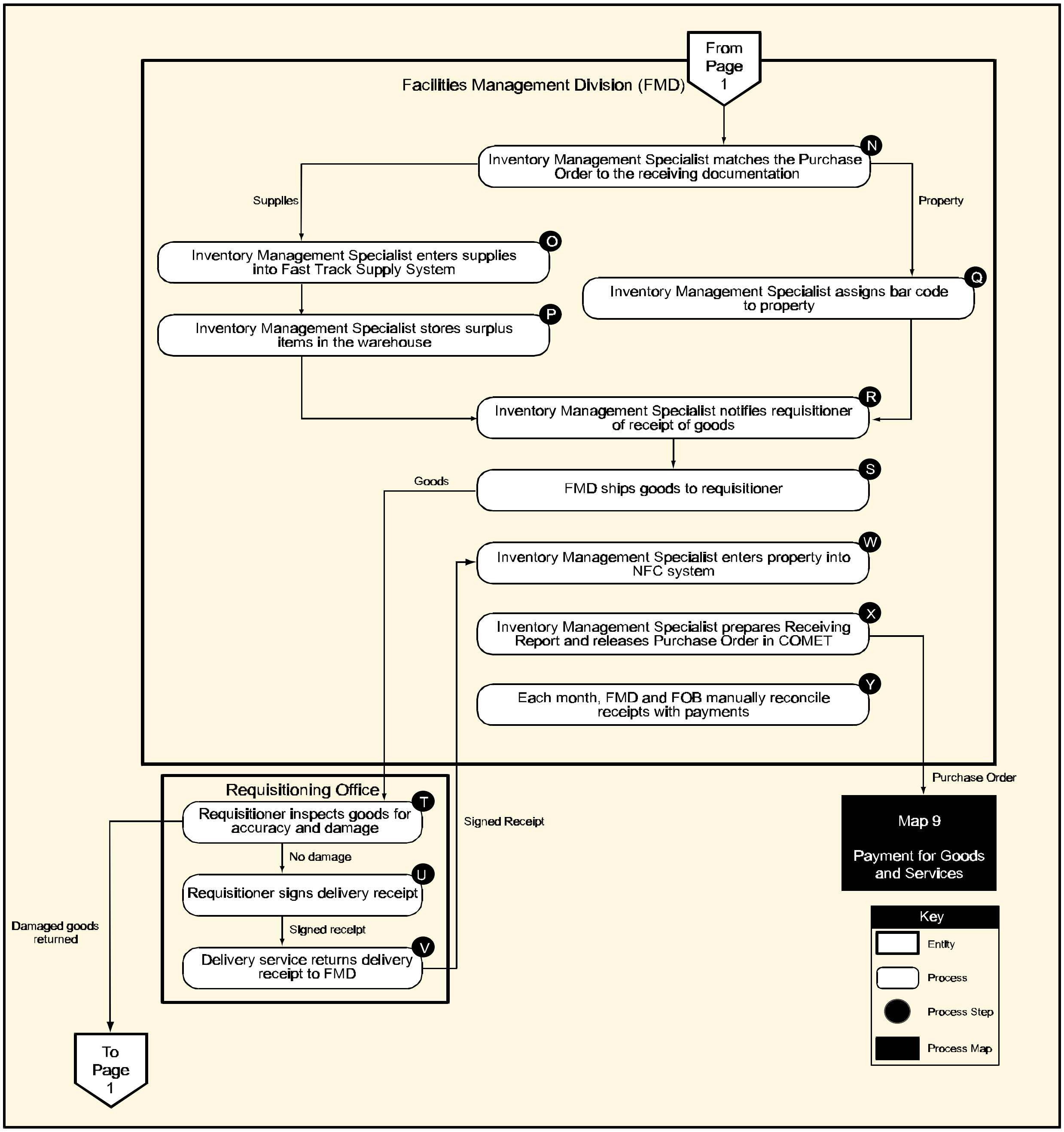

Exhibit 10-1: Sample Current Process Documentation (Page - 2)

10.2. DEVELOPING WORKFLOWS FOR THE EDI APPLICATION

After the current process has been documented, the implementation team should develop workflows for the EDI-based application. The new application should include not only EDI technology, but also other process improvements and changes that will increase efficiency and cost effectiveness of the function being performed.

To develop workflows for an EDI-based application, the implementation team should take the following steps:

1. **Identify Documents and Transactions That Are Exchanged with External Entities:** EDI and EFT are used to exchange documents and funds with external entities. The implementation team should examine current process flows and identify all documents and transactions that are sent to or received from external entities, such as vendors and suppliers, and determine the data requirements for these transactions.

2. **Identify EDI and EFT Transaction Sets:** Once the implementation team has identified the transactions that are to be converted to EDI or EFT, it should match these transaction sets to available EDI and EFT transactions. The data requirements gathered in the earlier step should be matched to the fields available in the transaction set, and implementation conventions should be developed. If there are no available transaction sets that match the business document, a new transaction set will have to be developed and approved by the appropriate ANSI ASC X12 committee. Section 3, EDI Message Standards, presents detailed information on available standards and developing implementation conventions.

3. **Determine New Transaction Flow:** As a next step, the implementation team should determine how the electronic transactions will flow in the new application, including the originator and recipient of each transaction, the event that will trigger the transaction, and the timing or frequency of exchange of each transaction.

4. **Identify Other Process Changes:** The implementation team should re-examine the problems that were identified with the current process and determine whether improvements or changes can be designed into the new application to prevent the same problems from occurring again. The changes should also attempt to streamline the function by eliminating non-value added steps.

5. **Document New Process:** Based on the decisions made in the earlier steps, the implementation team should develop flowcharts for the new EDI-based application. The flowcharts should be accompanied by narratives and information on transaction sets that will be used volumes. Exhibit 10-2, Sample EDI-Based Process Documentation, presents a sample flowchart for a redesigned version of the process of receiving and accepting goods.

The implementation team should present the new EDI-based application to key staff and management from the functional area that will be affected by the application and obtain comments from them. The comments should be used to streamline the application design and in developing an implementation plan for the new application.

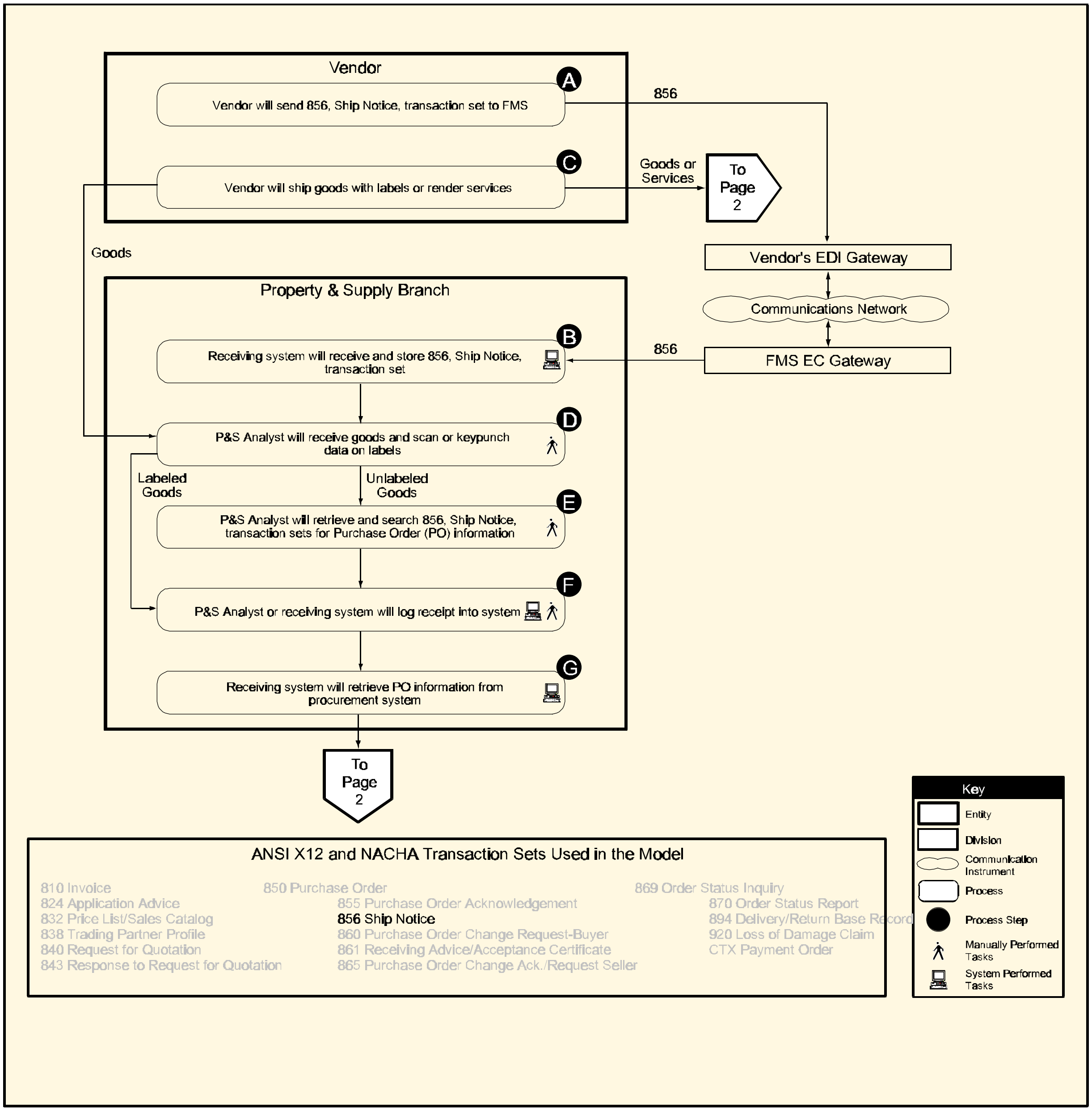

Exhibit 10-2: Sample EDI-Based Process Documentation (Page -1)

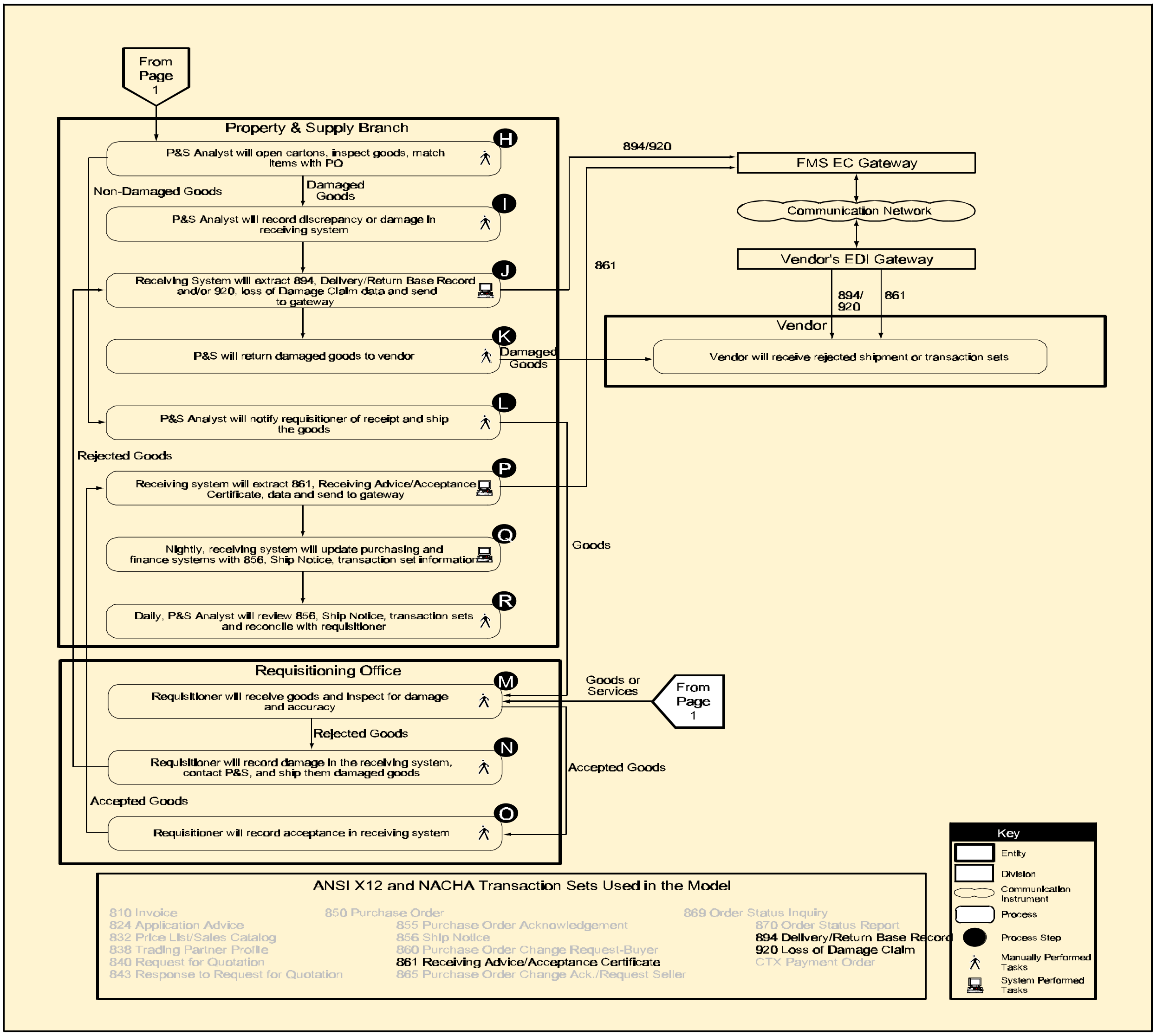

Exhibit 10- 2: Sample EDI-Based Process Documentation (Page 2)

10.3. DEVELOPING AN EDI IMPLEMENTATION PLAN DOCUMENT

Before implementation begins, an EDI implementation plan must be developed. This plan should guide the implementation team through implementation and should include the following:

- Current and new application process flows
- Implementation conventions for transaction sets in the application
- Timeline for each stage of the implementation

- Step-by-step plan for implementing a pilot project
- Full scale implementation considerations
- **Step-by-step approach for selecting and implementing trading partners for the pilot project**
- **Strategy for full scale trading partner implementation**

The implementation team should present the plan to the management of the departments affected by the EDI application, and obtain their approval to proceed with the implementation.